

**Massachusetts § 1115 Demonstration
Transfer of Assets**

FACT SHEET

Name of Section 1115 Demonstration:	Transfer of Assets
Date Concept Paper Submitted:	April 10, 2003
Date Proposal Submitted:	August 29, 2003
Date Proposal Approved:	
Scheduled Expiration Date:	
Date Demonstration Implemented:	

SUMMARY

Under the Medicaid statute, States are required to impose a penalty on individuals who transfer assets for less than fair market value and then seek Medicaid coverage for the cost of their nursing home care. The penalty is non-payment of long-term care services for a period of time directly related to the value of the assets transferred. The transfer of assets provisions are intended to discourage individuals from divesting their assets to gain access to Medicaid long-term care benefits.

The Commonwealth of Massachusetts is requesting authority to make changes in the administration of the Federal law that permits persons needing nursing facility care to transfer their assets to others. The demonstration would provide an opportunity for an applicant who has transferred assets and no longer is able to pay for their long-term care to request a hardship waiver.

Specifically, for individuals transferring assets at less than fair market value in order to qualify for Medicaid, Massachusetts plans to begin the penalty period on the date of requested Medicaid eligibility, the date of entry into a long term care facility, or the date of transfer, whichever is latest. Other provisions include the following:

- Extend the look-back period to 60 months for real estate transfers and 120 months for irrevocable trusts;
- Treat annuities purchased by the individual in a nursing facility or spouse as a transfer at less than fair market value unless the Commonwealth is the beneficiary;
- Restrict expenditure of “excess assets” identified after application to purchases of medical care; necessary living expenses; necessary home maintenance; annuities that provide community spouses with monthly income of no more than the permitted spousal allowance; and long-term care insurance for the benefit of the applicant or spouse;
- Prohibit sequential transfers involving a transfer of assets to a permitted individual followed by a similar transfer to another person;
- Include transfers of non-countable assets in the calculation of the penalty period if the fair market value of the non-countable assets is greater than \$20,000; and
- Exempt the transfer for less than fair market value of primary residences, up to a value of \$300,000, from the demonstration’s provisions.

TARGET POPULATION/ELIGIBILITY

The demonstration applies to individuals applying for Medicaid payment of long-term care services in an institution. The demonstration provisions will apply to all applications filed on or after the effective date of the project.

NUMBER OF INDIVIDUALS SERVED

To be determined.

BENEFIT PACKAGE

Transfer of assets penalty will be applied to Medicaid payment of long-term care services in an institution.

COST SHARING

Not applicable.

ENROLLMENT LIMIT/CAP

No limit.

DELIVERY SYSTEM

Current system.

QUALITY ASSURANCE

Enrollment Center staff evaluating applications for nursing facility services would receive training on the new policy initiative by an onsite training specialist.

MODIFICATIONS/AMENDMENTS

Not applicable.

For additional information, please contact the CMS Project Officer – Jean Close at 410-786-2804 or Jclose@cms.hhs.gov.

Last Updated: 12/9/03